

PRESS RELEASE
 For Immediate Release

INDOCEMENT – EXTRAORDINARY RESULTS IN 1H 2010

- Continuing strong domestic demand
- Constantly substantial growth in income from operations, EBITDA and net income
- Solid Balance Sheet
- Capex spending on track

Continuing strong domestic demand

Financial Highlights in the First Half 2010

Description	H1 2010 IDR Bio	H1 2009 IDR Bio	Variance	
			IDR Bio	%
<i>Total Sales Volume (thousands tons)</i>	6,723	6,109	613	10.0%
<i>Domestic Sales Volume (thousand tons)</i>	6,254	5,339	915	17.1%
<i>Export Sales Volume (thousand tons)</i>	469	770	(301)	-39.1%
Net Revenues	5,360	4,795	565	11.8%
Cost of Revenues	2,586	2,554	32	1.3%
GROSS PROFIT	2,774	2,241	533	23.8%
<i>% of Net Revenues</i>	51.7%	46.7%		
Operating Expense	722	613	109	17.8%
INCOME FROM OPERATIONS	2,052	1,628	423	26.0%
<i>% of Net Revenues</i>	38.3%	34.0%		
EBITDA	2,354	1,898	456	24.0%
<i>% of Net Revenues</i>	43.9%	39.6%		
Interest Income / (Expenses)	77	3	74	2426.0%
Forex Gains / (Losses)	18	(33)	51	-156.2%
NET INCOME	1,640	1,172	468	39.9%

The continuing strong domestic demand in particular from residential market since the last quarter of 2009 has brought **PT Indocement Tunggal Prakarsa Tbk.'s (the "Company")** domestic sales volume in the first semester increased by 17.1% (1H 2010 – 6.3 million tons vs 1H 2009 – 5.3 million tons) whereas the national domestic cement demand only increased by 11.5%. This resulted in higher market share of the Company in 1H10 at 31.2% compared to 29.7% in 1H09.

The Company market share increase is supported by the current excess capacity given that the Company is the only cement producer in Indonesia with significant capability to meet current high growth of domestic market.

The export sales volume was shrank by -39.1% to 0.47 million tons (previous year: 0.77 million tons) as the Company focus more to fulfill the high domestic demand.

Total sales volume in 1H10 was 6.7 million tons, higher by 10.0% than previous year at 6.1 million tons.

- **Substantial growth in income from operations, EBITDA and net income**

The strong domestic demand and clear focus of the Company to optimize the procurement and supply chain operations to cope with the escalating cost in almost every aspect of operation and the ongoing appreciation of IDR against USD, as over 60% of the Company's purchases are in USD equivalent, have significantly bring positive impact to the Company's 1H10 performance compared to the same period last year.

Net revenues grew by 11.8% to Rp5,360 billion (previous year: Rp4,795 billion).

The gross profit margin improved to 51.7% from 46.7% or in the amount of Rp2,774 billion (previous year: Rp2,241 billion).

Operating expenses increased by 17.8% to Rp722 billion (previous year: Rp613 billion) mainly due to higher logistic costs as the impact of higher sales volume and more sales to outside Java area.

Therefore, income from operations climbed by 26.0% to Rp2,052 billion (previous year: Rp1,628 billion) and operating margin strengthened from 34.0% to 38.3%.

EBITDA also increased by 24.0% to Rp2,354 billion (previous year: Rp1,898 billion). Meanwhile, EBITDA margin improved from 39.6% to 43.9%.

On the bottom line, the net income significantly grew by 39.9% to Rp1,640 billion (previous year: Rp1,172 billion).

Solid Balance Sheet

Description	H1 2010 IDR Bio	H1 2009 IDR Bio	Variance	
			IDR Bio	%
Current Assets	6,616	3,611	3,004	83.2%
Non-Current Assets	7,810	7,652	158	2.1%
Current Liabilities	2,108	1,328	780	58.7%
Non-Current Liabilities	800	795	5	0.7%
Shareholders Equity + Minority Interest	11,517	9,140	2,377	26.0%
Total Assets = Total Liabilities + Shareholders Equity + Minority Interest	14,426	11,263	3,163	28.1%

As of June 30, 2010, the Company continue to record net cash position with cash and cash equivalent at Rp4,018 billion. The management's effort to enhance working capital management is also one of the key to achieve strong and solid balance sheet.

Capital expenditures for the full year of 2010 is expected at about USD75~80 million, including the new cement mills in Cirebon factory with capacity of 1.5 million tons that will be commercially operated in 2H 2010, some projects in order to improve logistic performance, new batching plants and new truck mixer for concrete business.

The capital expenditures payment in 1H10 was Rp166 billion compared to Rp151 billion in the same period last year.

The Company believes that strong domestic demand is keep continuing in the current and near future. Therefore, the Company is planning to have different projects in optimizing the production and logistic facilities to be able to supply to the strong domestic market. In addition, the Company also strengthens its ready-mix concrete operations in order to be ready for increasing infrastructure works in near future, The Company will use the current existing strong Balance Sheet to anticipate these capital expenditures.

Mr. Daniel Lavalle as the President Director of the Company remarked:

“Indocement’s short and medium-term will focus on increasing cement grinding capacity of its existing facilities to create an equilibrium with the Company’s current excess clinker capacity and will continue to pursue a prudent long-term strategy which appropriately balances margin with growth. Operational efficiency will remain the overarching strategy which derives profits as well as strategy to maintain prices at a level which can enable an adequate return on investment in accordance with the principles of Internal Rate of Return”

Jakarta, July 30, 2010

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